

United States Government

Department of Energy

Albuquerque Operations Office

# memorandum

DATE: JUL 06 1999  
REPLY TO: OFCFO  
SUBJECT: Advance Funding for State and Local Governments. Funds-In Agreements  
TO: Those on Attached List

This memorandum provides guidance on State and local governments meeting the advance funding requirements under Funds-In Agreements (FIA), Work for Others (WFO) Non Federal Sponsors Process (NFSP).

## Background

In accordance with the DOE Accounting Handbook, Chapter 13, paragraph 2.d.(4) reimbursable work for non-Federal customers shall neither start nor continue without a cash advance of funds except as provided by paragraph 2.g.(2). One of the exceptions identified in paragraph 2.g.(2)(e) is:

"If a State or local government has a statute or another legal requirement prohibiting advancing funds for reimbursable work, the Cost of Work for Others Program under the Departmental Administration Appropriation may be used."

AL's Office of Chief Counsel recently concluded that if the state or local government does not have funding by virtue of its arrangement with an entity that it is receiving funding from, such as the refusal of a federal agency to advance funds under their agreement with the non-federal entity, and they are prohibited from advancing funds as described in 2.g.(2)(e) above, then DOE WN funds may be used for this purpose.

## Procedures

There are two acceptable procedures for DOE contractors to request, administer and reimburse these funds. They are:

- a. DOE WN funds are required to cover the entire total estimated cost of the agreement.

Generally, these funds will be provided for the agreement on a fiscal year basis. Agreements that encompass more than one fiscal year will most likely receive separate allocations of funds for each fiscal year under the agreement.

Funds reimbursed by the Sponsor are not available for use by the Contractor, and are to be immediately submitted by the Contractor to the U.S. Treasury for deposit into the Department of Energy's miscellaneous receipt account.

- b. DOE WN funds are required to cover only the advance funding requirements portion of the agreement.

Upon receipt of reimbursement from the Sponsor, the Contractor places these funds in the specific FIA account to meet the continuing advance funding requirements of the subject agreement.

These funds are not available for use by the Contractor for any purpose other than meeting the advance funding requirements of the subject FIA.

Upon completion of work under the agreement the Contractor shall submit all of the DOE WN funds to the U.S. Treasury for deposit into the Department of Energy's miscellaneous receipt account.

#### **Required Documentation**

The following documentation is to be submitted to the Laboratory Programs Division when requesting the use of DOE WN funds:

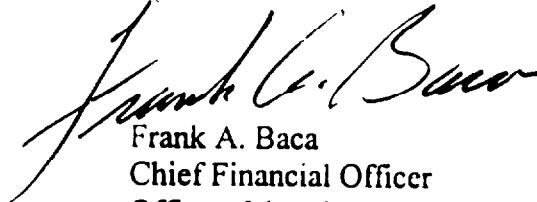
1. Face page of the agreement.
2. The dollar amount needed by fiscal year.
3. Spending plan, if applicable.
4. Letter from sponsor specifically identifying why they cannot advance funds, and citing the prohibition in the constitution or statute. A copy of the constitution or statute is also to be provided. If applicable, the Sponsor needs to specify if they are receiving funding from another entity and that entity refuses to advance funds to them.
5. A statement as to whether funding is requested for the entire agreement (item a, above) or to cover the advance funding requirements portion of the agreement (item b, above).

Upon approval of the request to obtain DOE WN funds the Budget and Resources Management Division (BRMD) will provide WN funding/authority in the Contractor's Approved Funding Program.

**Other**

DOE WN funds are limited and may not always be available when they are needed, possibly causing delays in the performance of work under these agreements. Requests for the initial amount of DOE WN funds, along with the above-described documentation, are to be submitted to LPD. Subsequent inquiries as to the status of obtaining the DOE WN funds, and additional funding requests on projects that have been approved and have received DOE WN funds previously, are to be directed to Kathy R. Carrillo, Acting Team Leader, Funds Management and Program Support Branch, BRMD.

If you have any questions or require additional information, please call Bob Davidson at (505) 845-4310 or Kathy Carrillo at (505) 845-6740.



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Addressees - Memorandum dated

JUL 06 1999

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